

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN MATT MCCANN**, on January 17, 2001 at 8:00 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Matt McCann, Chairman (D)
Rep. Dave Kasten (R)
Sen. Jon Tester (D)
Rep. Steve Vick (R)

Members Excused: Sen. Bob Keenan, Vice Chairman (R)
Sen. Tom A. Beck (R)

Members Absent: None.

Staff Present: Jane Hamman, OBPP
Andrea Hyatt, Committee Secretary
Brian McCullough, Legislative Branch
Christi Tyson, OBPP

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 6, 1/22/2001; HB 8,
1/11/2001, HB 15, 1/16/2001
Executive Action:

CHAIRMAN MCCANN had another meeting and would join the committee later; **REP. DAVE KASTEN** filled in during the interim.

HEARING HB 6 AND HB 8

REP. KASTEN opened the hearing for **RICHEY, RENEWABLE RESOURCE GRANT LOAN (RRGL) PROJECT NO. 46, PG. 161 -WATER SYSTEM IMPROVEMENTS.**

Proponents' Testimony:

Bob Fischer, Department of Natural Resources & Conservation (DNRC) - RRGL, reviewed the project and recommendation.

REP. KASTEN stated that the Town of Richey was unable to attend the meeting today. He discussed their project and provided a handout from the Town of Richey that discussed the Replacement Water Well. **EXHIBIT(jlh13a01)**

REP. KASTEN stated he was in support of the project.

REP. KASTEN stated that **SEN. MCNUTT**, who was unable to attend this meeting, requested that he go on record in support of this project.

Also the **Dawson County Commissioners** called requesting that they go on record in support of this project.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REP. KASTEN, had a question regarding the Fox Hill sand and wells. **Brian McCullough, Legislative Fiscal Department (LFD)**, questioned the rates problem. **Bob Fischer, DNRC-RRGL**, responded. **Pam Smith, DNRC-RRGL**, provided further clarification.

REP. KASTEN closed the hearing for **RICHEY, RRGL PROJECT NO. 46, PG. 161 - WATER SYSTEM IMPROVEMENTS.**

REP. KASTEN opened the hearing for the **CITY OF LAUREL, RRGL PROJECT NO. 50, PG. 141 - GROUNDWATER AND SALINITY STUDY.**

{Tape : 1; Side : A; Approx. Time Counter : 94}

Proponents' Testimony:

Bob Fischer, DNRC-RRGL, reviewed the project and recommendation.

Gay Easton, Chamber of Commerce President for the City of Laurel, discussed the project and its problems.

Larry McCann, public works, discussed the details of the water problems. He provided a fact sheet and pictures.
EXHIBIT(jlh13a02)

Informational Testimony:

John Olson, Montana Bureau of Mines, was in the audience and available to answer questions.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER had questions regarding the salinity. **Gay Easton** responded. **Brian McCullough, LFD**, had questions about the groundwater. **John Olson** responded.

REP. KASTEN closed the hearing for the **CITY OF LAUREL, RRGL PROJECT NO. 50, PG. 141 - GROUNDWATER AND SALINITY STUDY.**

NOTE: **CHAIRMAN MCCANN** arrived from his previous meeting and replaced **REP. KASTEN.**

CHAIRMAN MCCANN opened the hearing for **FLATHEAD BASIN COMMISSION, RRGL PROJECT NO. 7, PG. 29.**

{Tape : 1; Side : A; Approx. Time Counter : 227}

Proponents' Testimony:

Pam Smith, DNRC-RRGL, reviewed the project and recommendation.

Mark Holston, Public Information of the Flathead Basin Commission, represented **Elna Darrow** who was out-of-state. He provided a booklet entitled "Flathead Basin Commission Biennial Report 1999-2000". **EXHIBIT(jlh13a03)** He discussed the project and the involvement of the community.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REP. KASTEN questioned alternative plans. **SEN. TESTER** questioned the pollution source. **CHAIRMAN MCCANN** questioned funding sources in kind or cash; if they had received previous funding; educating the public. **Brian McCullough** questioned the pro-active planning in area. **Mark Holston** responded. **John Tubbs, DNRC**, discussed this project being the first large TMDL in the state and provided further background.

CHAIRMAN MCCANN closed the hearing for **FLATHEAD BASIN COMMISSION, RRGL PROJECT NO. 7, PG. 29.**

CHAIRMAN MCCANN opened the hearing for **RUBY VALLEY CONSERVATION DISTRICT, RRGL PROJECT NO. 16, PG. 53.**

{Tape : 1; Side : B; Approx. Time Counter : 46}

Proponents' Testimony:

Pam Smith, DNRC-RRGL, reviewed the project and recommendation.

John Anderson, rancher and supervisor of Ruby Valley Conservation District, mentioned other supporters who were in the audience: **Doris Fischer, Director of Madison County Planning Department; Bill Tate, member of the Ruby Valley Watershed Council; Jim Lane, member of the Ruby Valley Watershed Council and his students from Sheraton High School.** He discussed the project and provided a map of the area. **EXHIBIT(jlh13a04)**

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REP. KASTEN questioned if there was an irrigation district in the area. **Doris Fischer** and **John Anderson** responded. **SEN. TESTER** questioned planning for growth. **Jane Hamman** questioned if they were sharing the data compilation under the auspice of the conservation district and where is the repository of this data; is it just with the conservation district or will it go to the groundwater studies at Butte or MSU or to the State Library or a combination of all those statewide databases so that it is not lost. **John Anderson** responded. **Brian McCullough** questioned if their county commissioners/planners get together to share info. **Doris Fischer** responded.

CHAIRMAN MCCANN closed the hearing for **RUBY VALLEY CONSERVATION DISTRICT, RRGL PROJECT NO. 16, PG. 53.**

CHAIRMAN MCCANN opened the hearing for **TOWN OF HOBSON WATER EXPLORATION, RRGL PROJECT NO. 38, PG. 111.**

Proponents' Testimony:

Bob Fischer, DNRC-RRGL, reviewed the project and recommendation.

Dale Longfellow, Mayor, introduced other supporters in the audience: **REP. BILL THOMAS** and **Jim Richard, grant writer.** He described the town, their needs and the project. He provided a booklet entitled "Concerned Citizens for Hobson Water System Improvements." **EXHIBIT(jlh13a05)**

REP. BILL THOMAS discussed the need for the project and stated his support.

Jim Richard, grant writer, discussed the project and use of the funds.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER questioned the number of wells that went dry; the depth of the wells and community support. **Mayor Longfellow** responded.

CHAIRMAN MCCANN closed the hearing for **TOWN OF HOBSON WATER EXPLORATION, RRGL PROJECT NO. 38, PG. 111.**

{Tape : 2; Side : A; Approx. Time Counter : 76}

CHAIRMAN MCCANN discussed the agenda for the committee for the next few meetings.

HB 11 REVIEW

{Tape : 2; Side : A; Approx. Time Counter : 100-515}

Jim Edgcomb, TSEP, gave a presentation reviewing previous TSEP grants and issues. He provided a four page handout entitled "1999 TSEP Projects". **EXHIBIT(jlh13a06) Mr. Edgcomb** responded to questions from the committee. **John Tubbs, DNRC,** also provided some background information. An amendment was discussed to reserve the funds for projects that were granted earlier and the ones below the funding will only receive funds if there are additional monies. If the bill is left as it is now, projects have until the end of the biennium to meet start-up conditions; that means they have gotten their other funding together. If they haven't and if the lower projects are ready to go and have met start-up conditions, they could obligate funding to them.

{Tape : 1; Side : B; Approx. Time Counter : 0-216}

JIM EDGCOMB CONTINUED HIS PRESENTATION

Jane Hamman provided background history. **Brian McCullough** discussed obligations and liability. **Jim Edgcomb** completed his presentation.

CHAIRMAN MCCANN discussed the committee agenda for tomorrow.

{Tape : 2; Side : B; Approx. Time Counter : 232}

HB 15

Proponents' Testimony:

William Marcus, Station Manager, KUFM-TV, Missoula Montana PBS and Director of the Broadcast Media Center, provided a packet of various brochures. **EXHIBIT(jlh13a07)** He discussed the importance of Montana PBS and its effect on education, culture and citizenship in Montana. He explained the need for the Digital Conversion and the federal mandate for a match of state funding.

{Tape : 2; Side : B; Approx. Time Counter : 308}

Jack Hyyppa, Manager, KUSM-TV, Bozeman and Professor in the Media Theatre Arts Department. He provided background and information on their need for the funding. The packet includes a copy of a map indicating the extent of the public broadcasting system. He explained the importance of maintaining the license, the deadline, and the impact should they lose the license.

{Tape : 3; Side : A; Approx. Time Counter : 15}

George Cole, Director of Development for Montana PBS, discussed the importance of PBS and the worth of a TV license. He discussed how they would do public campaigns and the number of organizations he has contacted for additional funding.

{Tape : 3; Side : A; Approx. Time Counter : 68}

Dick Crofts, Commissioner of Higher Education, discussed the project from the perspective of the University System and the Commissioner's office. He stated that the University System's mission is: teaching, research and public service. He discussed how they fit in to the digital conversion.

{Tape : 3; Side : A; Approx. Time Counter : 185-515}

Joan Coffin, Chairman of the Friends of Montana PBS, provided a letter from a supporter of PBS. **EXHIBIT(jlh13a08)** She explained the workings of the group and their support for funding. She stated that there is a diversity of people who listen to PBS and provided a letter from a second grade teacher discussing its use in the schoolroom. **EXHIBIT(jlh13a09)**

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REP. KASTEN questioned how PBS in the schools will effect the rural areas. **Jack Hyypa** responded. **SEN. TESTER** questioned funding sources and the need for local certified funds. **William Marcus** responded. **REP. VICK** questioned the audiences that are reached in Phase I and Phase II and how much of the equipment is re-usable when going to digital.

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{Tape : 3; Side : B; Approx. Time Counter : 0}

Dick Crofts and **Jack Hyypa** responded. **Jane Hamman** questioned Phase I and the capital campaign and funding. **Jack Hyypa** and **Commissioner Crofts** responded. Discussion followed.

CHAIRMAN MCCANN introduced the other part of HB 15, Department of Justice, video gambling and automated accounting.

{Tape : 3; Side : B; Approx. Time Counter : 383}

Larry Fasbender, Deputy Director of the Department of Justice, provided history and background. He stated that in the original budget they had included \$155,000.00 for a study of the motor vehicle division. The Governor's Office, through the executive planning process, suggested that rather than spend the \$155,000.00 for a study and come back two years later, it would be more efficient to that all in one process. Through miscommunication they did not get the amendment in to the bill regarding the motor vehicle division. He requested that the committee allow them to present that information and request that an amendment be included. **CHAIRMAN MCCANN** stated that would be acceptable to the committee.

{Tape : 3; Side : B; Approx. Time Counter : 427}

Gene Huntington, Administrator, Gambling Control Division, provided a three page handout entitled "Bond Financing of Automated Accounting and Reporting System". **EXHIBIT(jlh13a10)** He discussed the history and explained they are looking at a method of financing something that has already been authorized by the Legislature. He discussed the purchase of the data collection servers (DCS); their functions and funding.

{Tape : 4; Side : A; Approx. Time Counter : 0}

Gene Huntington continued his testimony.

{Tape : 4; Side : A; Approx. Time Counter : 61-360}

CHAIRMAN MCCANN requested that the committee be informed of the original intention of the bill when it was passed. **Gene Huntington** responded. Discussion followed. **Rick Ask, Bureau Chief, Gambling Control Division**, provided further information.

{Tape : 4; Side : A; Approx. Time Counter : 372}

Rich Miller, Executive Director, Gaming Industry Association, stated their endorsement of this project and, as an industry, is prepared to hook-up with the new system. He explained the impact on the industry.

{Tape : 4; Side : A; Approx. Time Counter : 404-515}

Dean Roberts, Administrator of Motor Vehicle Division, Department of Justice, provided a handout entitled "Motor Vehicle System Information Technology Bonding". **EXHIBIT(jlh13a11)** He provided the history, benefits and plans for the new system.

Note: Go to Tape 5 side A; Tape 4 side B is blank!!!

{Tape : 5; Side : A; Approx. Time Counter : 0}

Dean Roberts' testimony continued.

He mentioned other states that are doing a similar system and the estimates for a system. They have considered Maine as a guide since it is similar to Montana. They proposed this IT project be funded through the issuance of general obligation bonds. The bonds issued for the purchase of equipment, operating software, software licensing, contract services would be scheduled to mature within ten years from the date of issue. The debt service, of approximately \$2.4 million a year, of these bonds would be serviced through an assessment of a \$2.00 fee on individual motor vehicle registrations that would be eliminated once the bonds matured. They would appreciate the committee's support on the approval of the bonding and a committee bill for the \$2.00 fee assessment on all vehicle registrations.

{Tape : 5; Side : A; Approx. Time Counter : 69}

Steve Tesinsky, Administrator, Information Technology Services Division, Department of Justice, discussed the current system and its inability to handle the workload effectively; they have a backlog of programming time that has not been met. He explained the impact of the system and the importance of providing accurate information.

CHAIRMAN MCCANN requested that **Steve Tesinsky** provide his testimony in print form. **SEN. TESTER** questioned to clarify if they were asking for \$20 million in bonding. **Jane Hamman** stated that they also were requesting a committee bill for the \$2.00 fee. **Larry Fasbender** responded. Discussion followed. The committee discussed their concerns with past systems that were installed and did not live up to expectations. **CHAIRMAN MCCANN** commented that he originally understood that they were looking for funding for a study, but that now it is a \$20 million project; he understands how hard they work, but he is now at a point where he needs to review their presentation and will ask them to come back at a later time once they have given their requests some thought. **SEN. TESTER** requested he would like to know how it will be implemented, in stages, and the number of dollars required. **CHAIRMAN MCCANN** stated that they would contact **Larry Fasbender** to inform him when to meet with the committee.

The meeting adjourned.

ADJOURNMENT

Adjournment: 12:10 P.M.

REP. MATT MCCANN, Chairman

ANDREA HYATT, Secretary

MM/AH

EXHIBIT (j1h13aad)